

50% COMMUNITY DEVELOPMENT CORPORATION TAX CREDIT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Induce the creation of Community Development Corporations (CDC) which would then invest in new or growing small businesses, certain types of real estate development, or redevelopment projects in a targeted area.

AUTHORIZATION

Sections 135.400 to 135.430, RSMo.

HOW THE PROGRAM WORKS

A “Fundor” (contributor or investor) may obtain state tax credits based on 50% of their investments or contributions in a pre-approved CDC. The CDC would then make equity investments or loans to a specific project within the designated redevelopment area.

ELIGIBLE AREAS

Statewide, but limited to targeted areas with at least 26.2% of the persons that resides in the area qualified as “poverty” under federal definitions. The CDC must prepare a revitalization plan to be approved by the Missouri Department of Social Services, unless it is completely within a federal empowerment zone/enterprise community.

ELIGIBLE PROJECTS

Nearly any type of commercial business operation or real estate development project located in the designated redevelopment area is eligible to receive funding by the CDC projects. The targeted area is specified by the CDC, and must comply with certain demographic requirements specified by the Department of Economic Development (DED).

ELIGIBLE USE OF FUNDS

A CDC may use the funds for loans or equity investments to a business to be used for acquisition of real estate or buildings, new capital improvements and working capital. Funds may

also be used for real estate development or redevelopment projects, including certain types of housing in-fill and new construction for owner occupied units.

APPLICATION PROCEDURE

A CDC may submit an application to DED at any time. DED will approve the application based on compliance with all the eligibility criteria and the ability of the CDC to successfully manage the fund. The Missouri Department of Social Services must approve the revitalization plan.

The tax credits will be provided to the “Fundor” upon documentation of the investment or contribution to the CDC as outlined in the program guidelines. Any contribution or investment made by the “Fundor” prior to DED’s approval of a request for the tax credits by the CDC will not be eligible for tax credits.

FUNDING LIMITS

The maximum tax credits provided to “Fundors” of a CDC are \$750,000 (based on investments or contributions of \$1,500,000). The maximum investment by the CDC in one project/business is \$750,000. The CDC’s investment must create at least one full-time job for each \$10,000 of tax credits authorized (except in housing).

Application approval will be based upon the availability of tax credits within the program along with the order in which they are received.

CONTACT

DED Community Development Programs:
301 W. High Street, PO Box 118
Jefferson City, MO 65102
Phone: (573) 522-8004
Fax: (573) 526-8999
E-mail: cdc@mail.state.mo.us

OTHER SERVICES OF DED

DED REGIONAL OFFICES

St. Louis (314) 340-6823

Kansas City (816) 889-2900

Trenton (660) 359-5960

Springfield (417) 888-4001

Moberly (660) 269-8802

Dexter (573) 624-9950

Houston (417) 967-5770

Jefferson City (573) 751-0482

RELAY MISSOURI SERVICE

Voice user calling a hearing/speech impaired user:

(800) 735-2466.

Hearing/Speech impaired user calling a voice user:

(800) 735-2966.

COMMUNITY DEVELOPMENT

The Community Development Group offers over 10 different tax credit and grant programs to specifically meet the needs of not for profit organizations, community groups, and local government in areas such as infrastructure improvement, housing, violence prevention, and community facilities. For more information please call (573) 751-5981 or access the information at www.ecodev.state.mo.us/ded/cd.